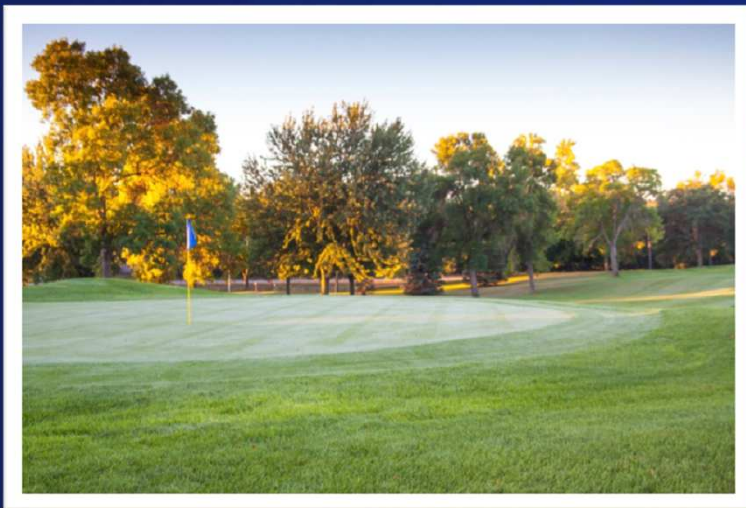
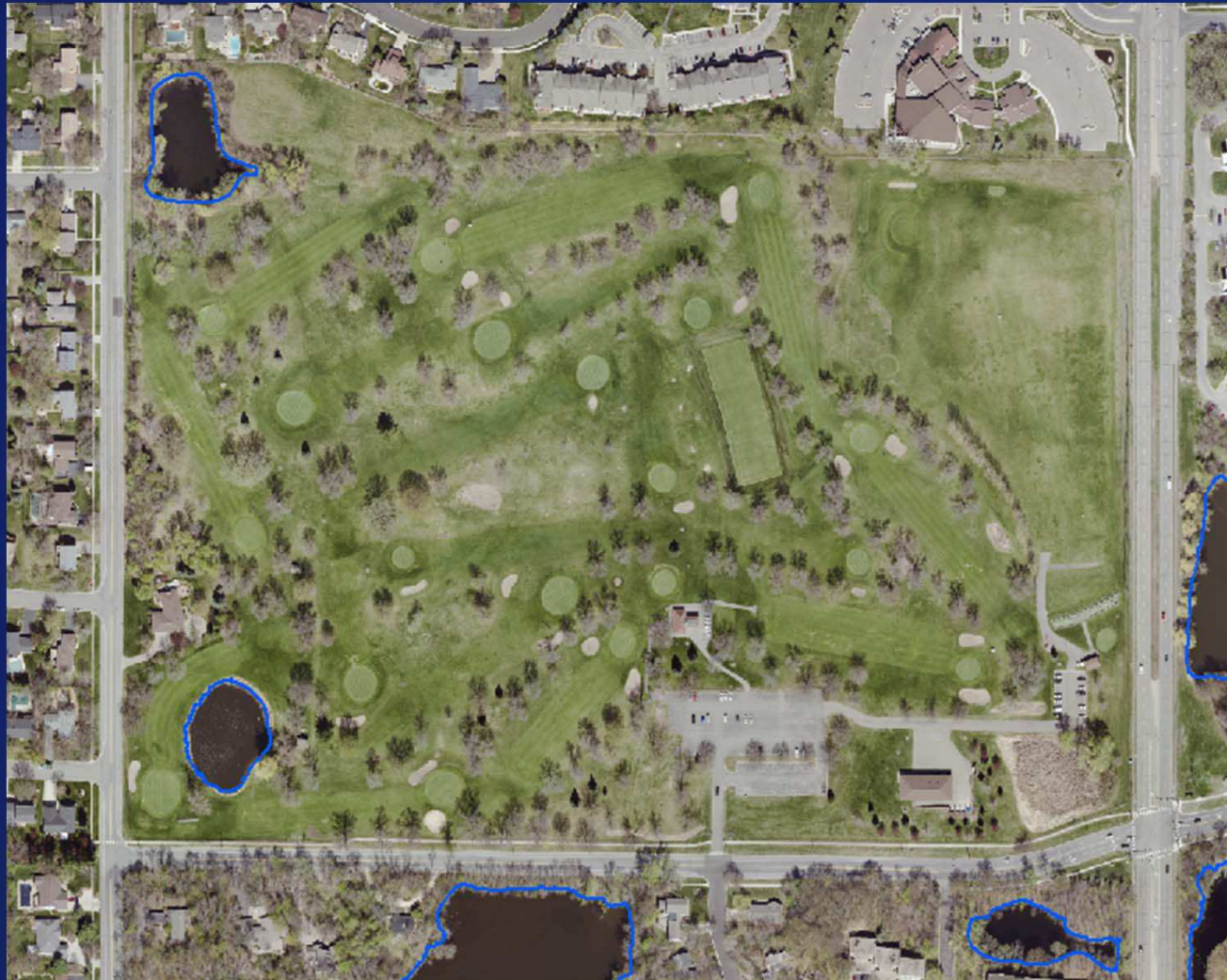


Hyland Greens Golf and Learning Center



**City Council
July 27, 2015**

Hyland Greens



State of Golf



- 23 million golfers in 2013, down 24% from peak.
- U.S. golfers played 462 million rounds last year, the fewest number since 1995.
- Primary drivers for decline in golfing:
 - Too long to play
 - Too hard to learn
 - Too expensive
 - Six-month sport
- Number of golfers expected to grow by 3 million between now and 2020.
 - Growth rate of about 1%, similar to the forecasted growth rate of the general U.S. population.
- Over the next 10 years, rounds played per year are expected to gradually increase by 73 million rounds, or 15%.

Source: National Golf Foundation, 2014.

State of Golf



- Municipal golf courses nationwide struggle to cash flow
- 157 U.S. golf courses closed in 2013
- Minnesota golf course closings:
 - Parkview Golf Course (Eagan) – 2013
 - Elm Creek Golf Course (Plymouth) – 2013
 - Red Oak Golf Course (Mound) – 2013
 - Lakeview Golf Course (Mound) – 2013
 - Fred Richards Golf Course (Edina) – 2014
 - Tartan Park (Lake Elmo) – 2015

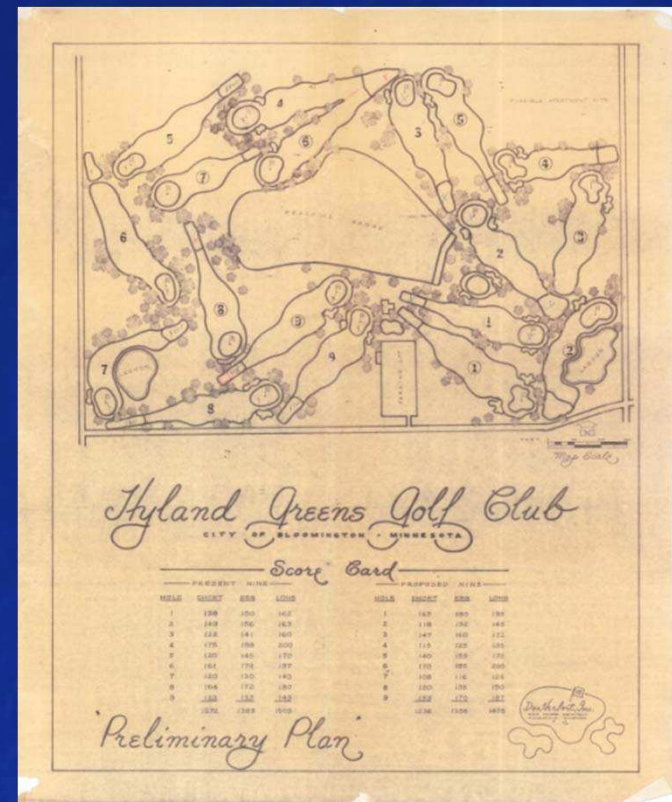
Hyland Greens

History



1962: Les Boche purchased farmland and built 18-hole, par-3 golf course designed by Don Herfort.

1974: Hyland Greens sold to City of Bloomington.



Hyland Greens

History



Hyland Greens

Recent enhancements



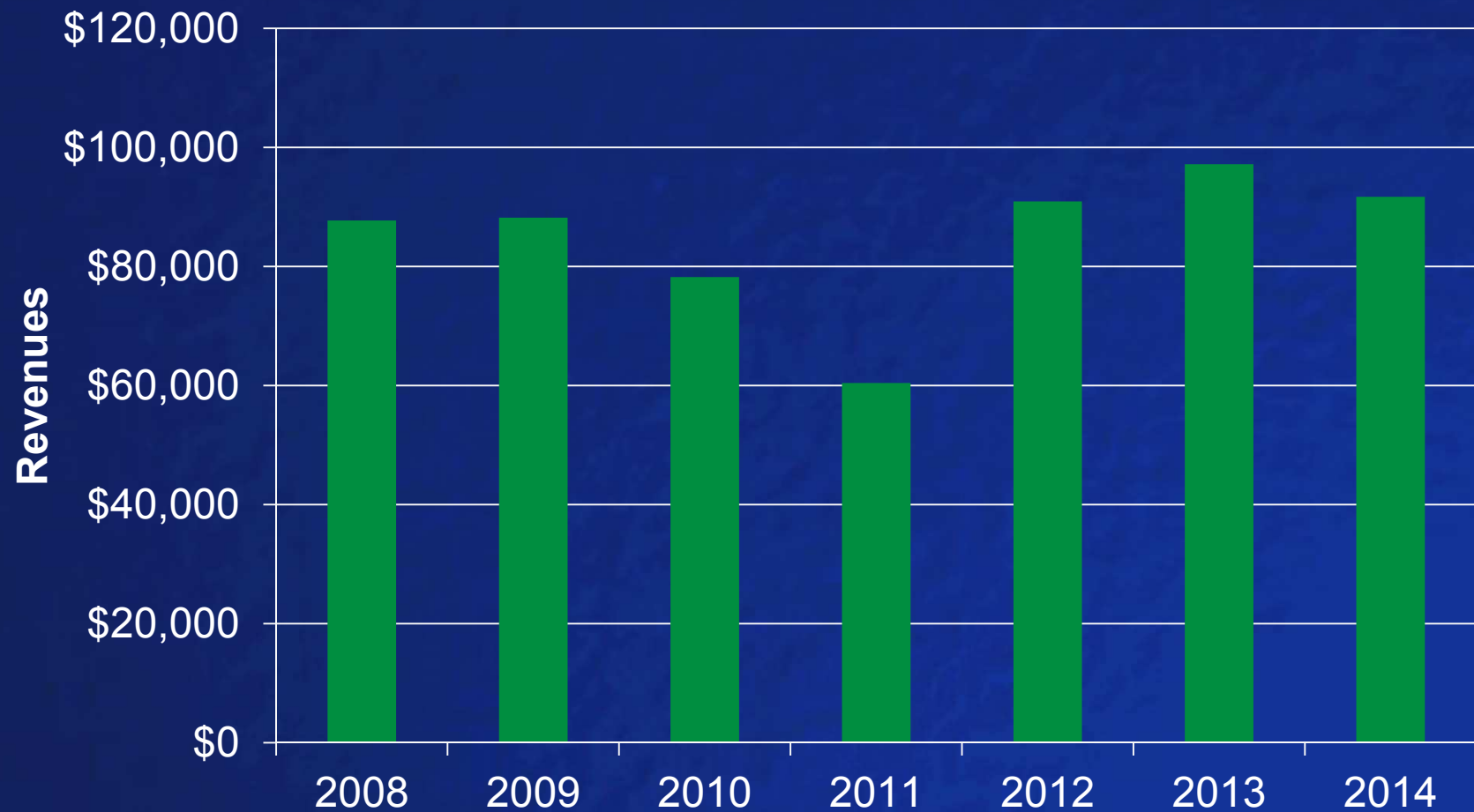
2012: Expanded practice range opened in former Inside 9.

2014: FootGolf added to course.



Hyland Greens

Driving Range



Hyland Greens

FootGolf

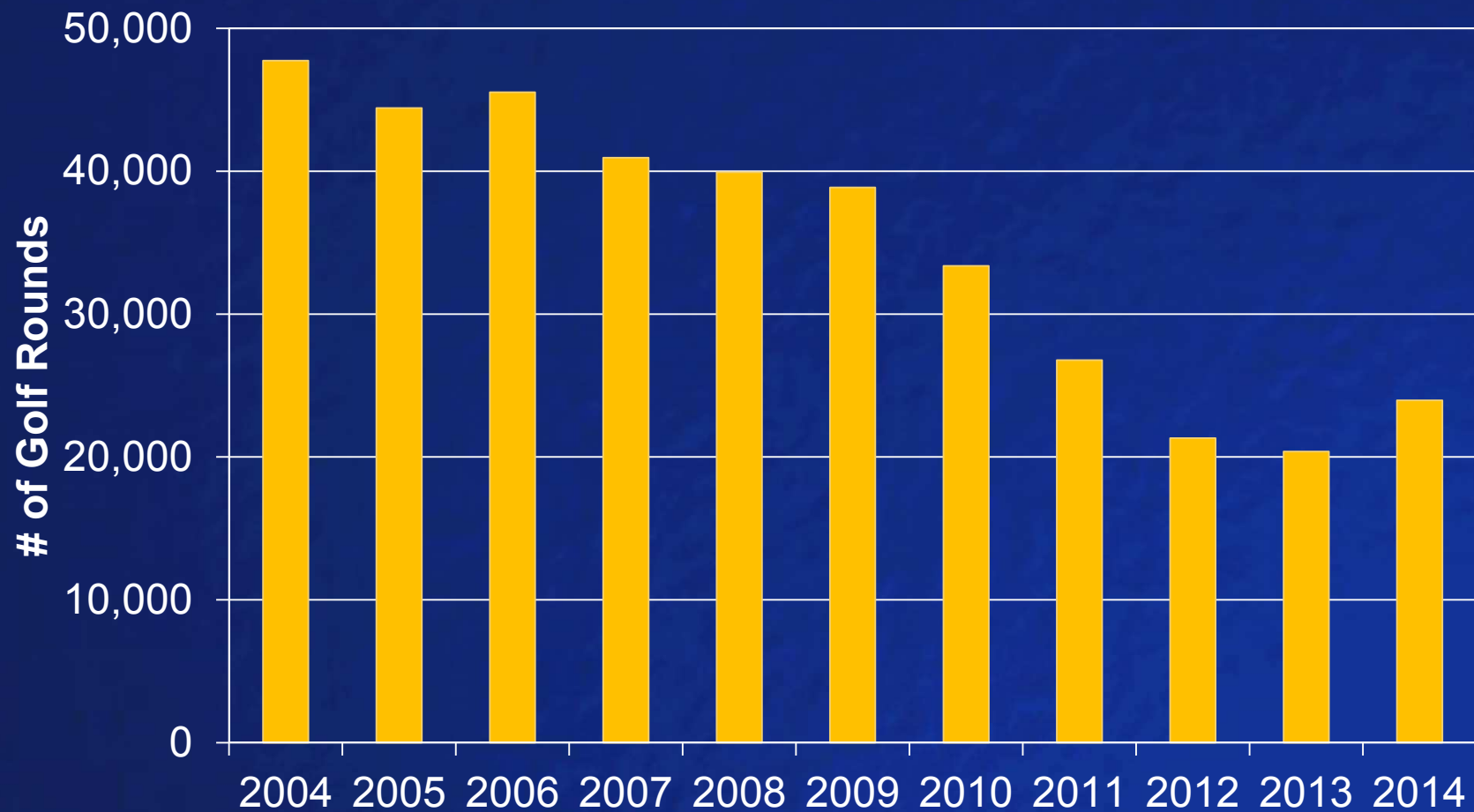


- Debuted on May 24, 2014.
- 2014 Total rounds: 7,749
- 2014 Total revenues: \$62,684
- 2015 YTD rounds: 577
- 2015 YTD revenues: \$6,122



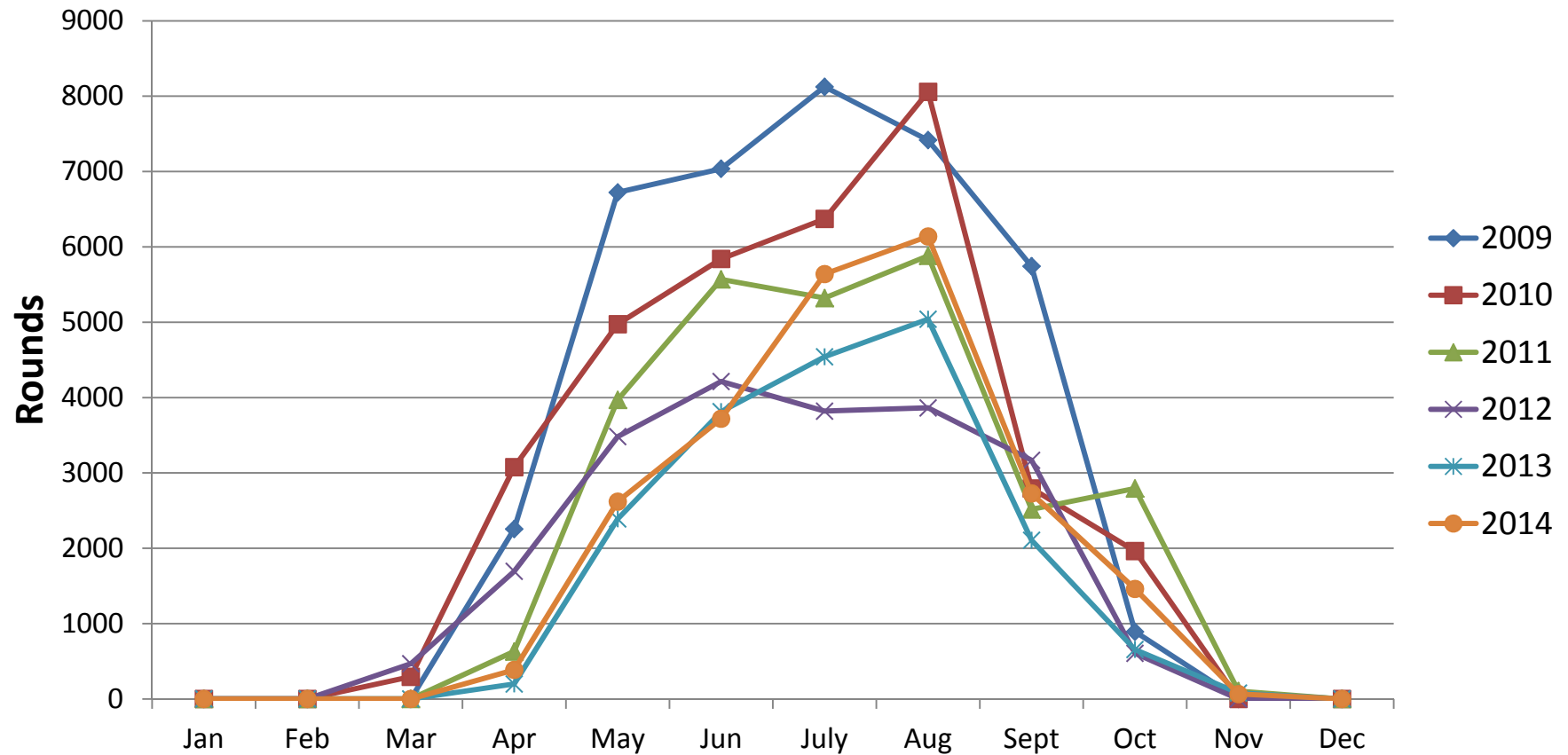
Hyland Greens

Annual Golf Rounds



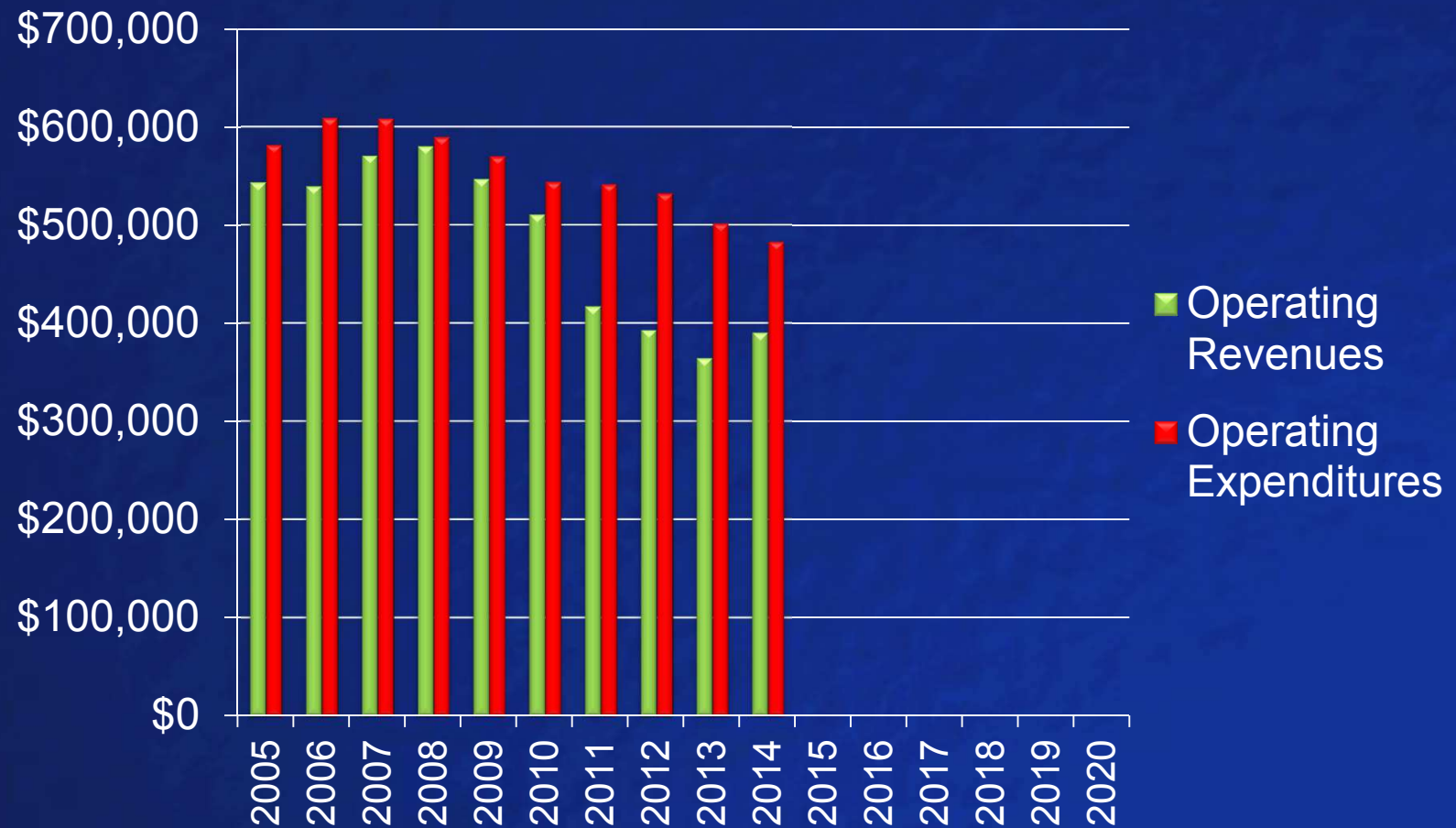
Monthly Golf Rounds

Hyland Greens



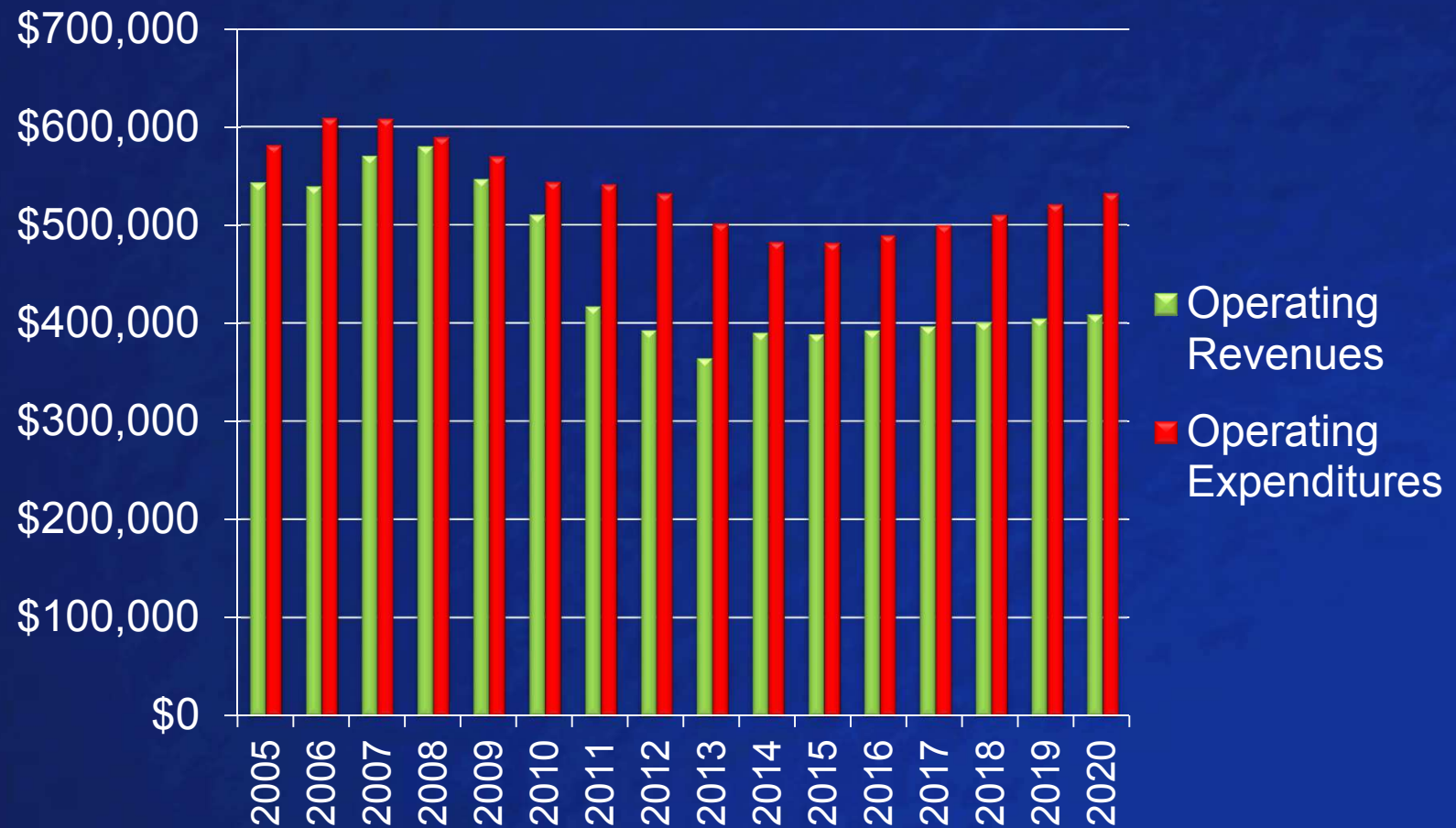
Hyland Greens

Operating Revenues vs. Operating Expenditures



Hyland Greens

Operating Revenues vs. Operating Expenditures



City of Bloomington Vision



“To build and renew the community by providing services, promoting renewal and guiding growth in an even more sustainable, fiscally sound manner.”

Parks and Recreation Goals



1. Be a **family-friendly community**.
2. **Maintain & enhance** City park & recreational assets
3. **Anticipate the needs of the changing community** and structure programs and facilities accordingly.
4. **Promote a sense of community** through recreation programming.



Options



- Option #1: Continue as City-operated golf course
- Option #2: Convert to park
- Option #3: Sell for development
- Option #4: Private management
- Option #5: Partner on year-round golf facility

Option 1

Continue as City-operated golf course



Pros

- Preserves golf course
 - Driving range
 - Foot golf
- Maintains programming for BAA and other users
- Preserves green space

Cons

- Operating deficits will likely continue even if trends improve
- Requires funding from the property tax levy
- Limited funds for capital improvements

Golf Fund

City of Bloomington

		2013	2014	2015	2016	2017	2018	2019	2020
DWAN									
Revenues		\$ 1,915,685	\$ 1,191,524	\$ 1,229,660	\$ 1,241,957	\$ 1,286,892	\$ 1,338,368	\$ 1,391,903	\$ 1,447,579
Tax support/Strat. Prior.			\$ 800,000		\$ -	\$ -	\$ -	\$ -	\$ -
Expenses		\$ 1,868,556	\$ 2,032,811	\$ 1,295,803	\$ 1,319,915	\$ 1,322,299	\$ 1,339,312	\$ 1,394,455	\$ 1,370,730
Net Gain (Loss)		\$ 47,129	\$ (41,287)	\$ (66,143)	\$ (77,958)	\$ (35,407)	\$ (944)	\$ (2,552)	\$ 76,849
Working Capital Balance		\$ 1,352,229	\$ 1,310,942	\$ 1,244,799	\$ 1,166,841	\$ 1,131,434	\$ 1,130,490	\$ 1,127,938	\$ 1,204,787
HYLAND									
Revenues		\$ 364,953	\$ 390,762	\$ 389,330	\$ 393,224	\$ 408,953	\$ 425,311	\$ 442,324	\$ 460,016
Tax support/Strat. Prior.					\$ 450,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Expenses		\$ 613,144	\$ 570,647	\$ 589,664	\$ 617,607	\$ 623,453	\$ 607,858	\$ 605,321	\$ 638,344
Net Gain (Loss)		\$ (248,191)	\$ (179,885)	\$ (200,334)	\$ 225,617	\$ 85,500	\$ 117,453	\$ 137,003	\$ 121,672
Working Capital Balance		\$ (830,866)	\$ (1,010,751)	\$ (1,211,085)	\$ (985,468)	\$ (899,968)	\$ (782,515)	\$ (645,512)	\$ (523,840)
GOLF									
Revenues		\$ 2,280,638	\$ 1,582,286	\$ 1,618,990	\$ 1,635,181	\$ 1,695,845	\$ 1,763,679	\$ 1,834,227	\$ 1,907,595
Tax Support/Strat. Prior.		\$ -	\$ 800,000	\$ -	\$ 450,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Expenses		\$ 2,481,700	\$ 2,603,458	\$ 1,885,467	\$ 1,937,522	\$ 1,945,752	\$ 1,947,170	\$ 1,999,776	\$ 2,009,074
Net Gain (Loss)		\$ (201,062)	\$ (221,172)	\$ (266,477)	\$ 147,659	\$ 50,093	\$ 116,509	\$ 134,451	\$ 198,521
Working Capital Balance		\$ 521,363	\$ 300,191	\$ 33,714	\$ 181,373	\$ 231,466	\$ 347,975	\$ 482,426	\$ 680,947

Option 2

Convert to park



Pros

- Preserves green space
- Possible new activities
 - Cross country skiing
 - Trails
 - Dog park
 - Disc golf
 - Skate board park
- Serves variety of ages, abilities and interests

Cons

- Maintenance and operating costs would be supported by property taxes
- Existing Internal Service Fund costs would need to be shifted to other funds
- Affects Dwan's budget
- Loss of ability to generate income
- Capital investment dollars required for any new activities
- Loss of recent capital investment

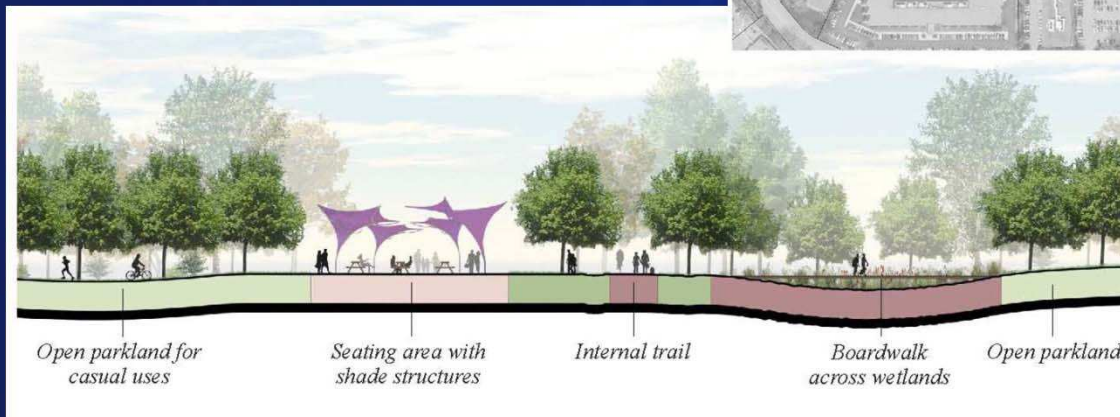
Lehigh Acres Trailhead Park



Fred Richards Repurpose Project



Fred Richards Repurpose Project



Option 3

Sell for development



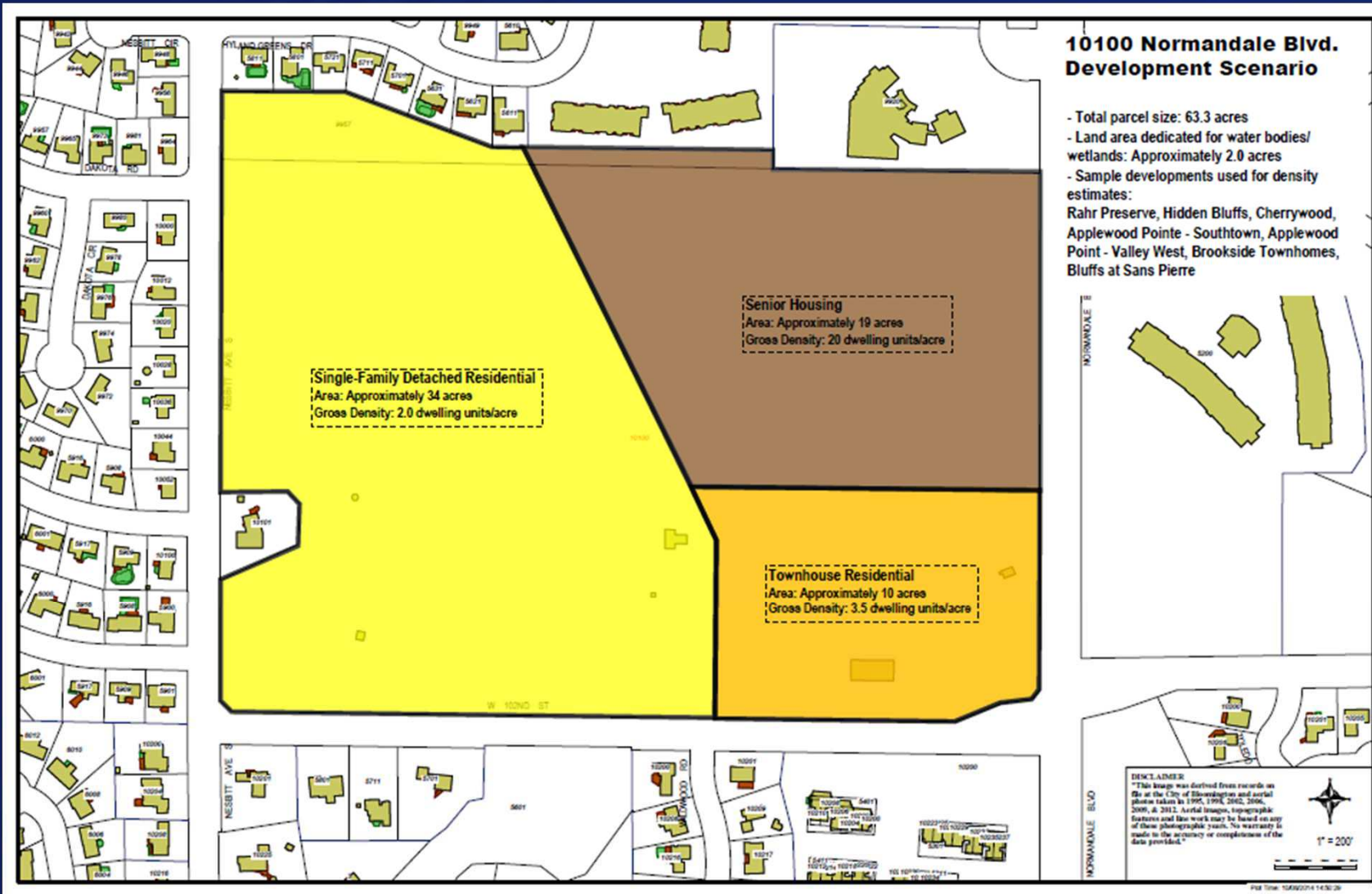
Pros

- Eliminates annual operating deficit
- Generates cash infusion that could be used for other City initiatives
- Adds property to tax base

Cons

- Potential for community opposition
- One-time cash infusion
- Loss of green space
- Loss of recreational asset
- Existing internal service fund costs would need to be shifted to other funds
- Affects Dwan's budget

Draft development scenario



Option 4

Private management



Pros

- Potential to eliminate operating deficit
- May generate revenues above a certain amount for the cost the City may pay to attract a management company
- Maintains recreational asset

Cons

- Management fee
- Capital improvements likely would be responsibility of City
- Existing internal service fund costs would need to be shifted to other funds
- Impact on Dwan's budget
- Likely no management companies interested in par 3, 9-hole course with no banquet facility

Option 5

Partner on a year-round golf facility



Pros

- Year-round programming
- Potential for positive cash flow
- Potential course improvements
- Marketing budget

Cons

- No potential partner in the pipeline.
- Risk of the golf course and indoor facility coming back to the City
- Existing internal service fund costs would need to be shifted to other funds

Option 5

Partner on a year-round golf facility



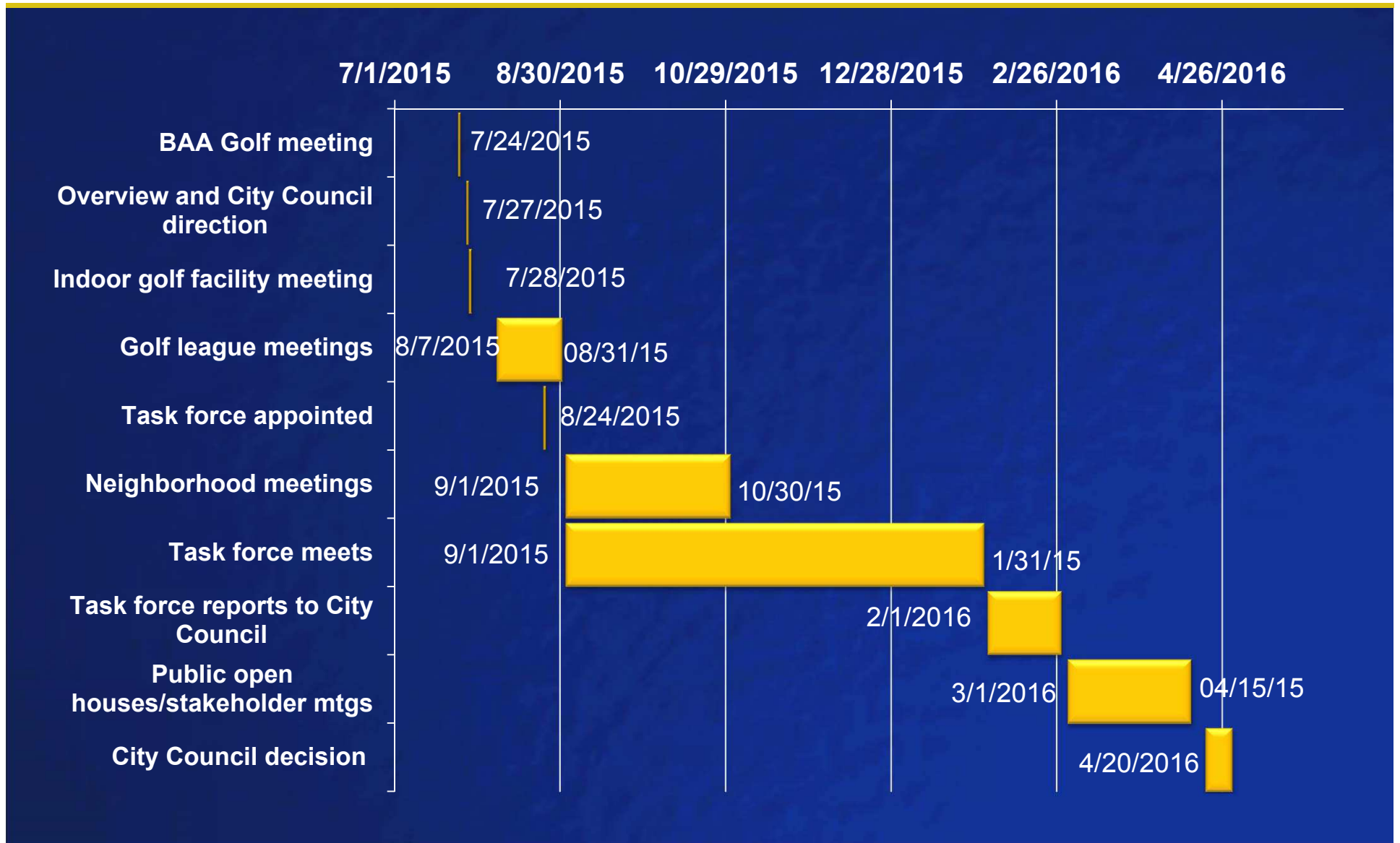
Options

	1. Continue as golf course	2. Convert to park	3. Sell property	4. Private management	5. Year-round facility
Operational costs	\$485,029	\$60,878	\$0	Management fee	Unknown
Capital costs	\$17,000	Depends on types of improvements	\$0	Capital improvements	Capital improvements + debt service
Internal Service Fund charges	\$87,635	\$87,635	\$87,635	\$87,635	\$87,635
Total expenses	\$589,664	\$148,513	\$87,635	\$87,635	\$87,635
Total revenues	\$389,330	\$0	\$10-\$12 million	Unknown	Unknown
Benefits to City	Preserves amenity and green space Maintains programming	Preserves green space Possible new activities	Adds to tax base Eliminates operating deficit Provides options for consideration of other amenities	Potentially eliminates operating deficit Preserves amenity	Year-round programming Potential course improvements Potential cash flow
Risks to City	Operating deficit could continue and grow. Dwan cannot sustain Hyland Greens' losses. Limited funds for capital improvements.	Maintenance and operating costs supported by property taxes. Capital investment funds required for any improvements.	Potential for community opposition. One-time cash infusion. Loss of green space. Loss of recreational asset.	Management fee. Capital improvements would likely be responsibility of City.	Extent to which business can operate and pay debt service. City owns the building if business fails.

Options

	1. Continue as golf course	2. Convert to park	3. Sell property	4. Private management	5. Year-round facility
Operational costs	\$485,029	\$60,878	\$0	Management fee	Unknown
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Timeline



Task Force



Members:

- City Council representative
- Parks, Arts and Recreation Commission member
- Planning Commission member
- Neighborhood representatives (2)
- General community representative
- Business community representative
- BAA Golf representative
- General Hyland Greens user

Staff:

- Parks and Recreation Manager
- Golf Manager
- Planning staff member
- Community Services Director

Task Force Application



City Seeks Candidates for Golf Course Re-use Task Force

For Immediate Release

Thursday, July 23, 2015

Contact: **Diann Kirby**
Community Services Director
(952) 563-8717
dkirby@BloomingtonMN.gov

Bloomington — The City of Bloomington is recruiting applicants to serve on a task force that will look at the future of Hyland Greens Golf and Learning Center. Hyland Greens has been experiencing an operating loss.

The task force will develop recommendations for the City Council regarding a possible re-use strategy for the property. Potential options include converting the golf course into a park, re-developing the site into residential uses or a hybrid approach of the two options.

For an application or more information, visit www.BloomingtonMN.gov or call 952-563-8717.

###



Hyland Green Task Force Membership Application

DATA PRIVACY NOTICE: Your name, current volunteer position and previous work history is public data under the Minnesota Data Practices Act. It is available to anyone who requests the information. This data is not legally required but the City will not be

able to present information to the City Council without it. The data is needed to distinguish this application from others and to properly exercise the City Council's right to appoint members to advisory boards, commissions and task forces.

Please send the completed form to the address below.

Name	Employer
Address	Zip
Home Phone	Business Phone
Position	

EXPERIENCE *As applicable to task force membership.*

CIVIC PARTICIPATION

BACKGROUND AND INTERESTS

WHY DO YOU WISH TO BE APPOINTED?

Applicant Signature _____ Date _____

The City of Bloomington does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its services, programs, or activities. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all City of Bloomington services, programs, and activities.

The City of Bloomington does not discriminate on the basis of race, color, creed, religion, national origin, sex, sexual orientation, disability, age, marital status or status with regard to public assistance in employment or the provision of services. Upon request, this information can be available in Braille, large print, audio tape and/or computer disk.

Community Services
Department

1800 W. Old Shakopee Road
Bloomington MN 55431-3027

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TTY 952-563-8740

communityservices@BloomingtonMN.gov
www.BloomingtonMN.gov

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Task Force Charge



As appropriate, develop recommendations regarding a re-use strategy specific to three options:

1. Full park utilization
2. Full development re-use
3. Hybrid approach

Task Force Items for Consideration



- A. Be fiscally responsible.
- B. Consider how this situation may become an opportunity for placemaking by creating a community amenity.
- C. Convert the value of the golf course into improvements for the City's other community spaces.
- D. Facilitate a soft landing for current users of Hyland Greens.

Questions?

